

Job-development investment grants target only projects whose benefits exceed their costs to the state and which would not locate in North Carolina without the grant. Using a methodology developed by Dr. Michael Walden of N.C. State University, the N.C. Department of Commerce estimates the project will generate a cumulative gross state product increase of about \$325 million and a cumulative net state fiscal impact of \$6.4 million over the life of the grant, as well as 515 jobs from all sources when the company reaches anticipated employment targets.

Under the terms of the agreement authorized unanimously today by the state Economic Investment Committee, a 10-year grant will be established. For each year in which the company meets the required performance targets, the state will provide a grant equal to 65 percent of the personal state withholding taxes derived from the creation of new jobs. If the company creates all of the jobs called for under the agreement and sustains them for 10 years, the agreement could yield maximum benefits to the company of as much as \$4.3 million over the life of the grant. Because the grant will be awarded for a project in a Tier 5 urban county, a portion of the total grant amounting to as much as \$1.4 million will be set aside in the state's Industrial Development Fund for infrastructure improvements in rural North Carolina.

The Job Development Investment Grant initiative, proposed by Easley and the state Economic Development Board and approved by the General Assembly last year, can award up to 15 grants annually to strategically important new and expanding businesses and industrial projects. Cumulative annual grant amounts are capped at \$10 million.

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